BRITISH COLUMBIA
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BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 10-23 June 11th, 2010

- **Exports continue on upward path, rising 2.1% in April**
- **Public sector employment inches up in first quarter**
- **Organic farms taking root in BC**

The Economy

- **The value of BC origin exports rose 2.1% in April (*seasonally adjusted*) building on a similar increase in March (+2.5%).** Exports of energy surged (+8.1%), and shipments of forestry products (+3.2) and machinery, equipment & automobiles (+0.8%) were also up. However, the value of industrial & consumer (-3.7%) and agriculture & fish (-1.3%) exports declined.

  Exports to the United States dropped 2.9% as increases in shipments of forestry products (+7.1%) and machinery, equipment & automobiles (+1.4%) were offset by contractions in other areas. Exports of industrial & consumer goods south of the border continued to seesaw, plummeting 13.2% following a 26.7% surge in March. Shipments of energy (-8.6%) and agriculture & fish (-3.0%) products were also down in April. Conversely, international exports to countries other than the US soared (+7.1%), fuelled in part by significant increases in the value of energy (+19.8%) and industrial & consumer (+4.3%) products.

  Canadian exports were off (-1.0%) for the second consecutive month. Exports to Japan (+2.0%) and the US (+0.7%) inched up, but shipments to the European Union slumped (-23.4%). *Data Sources: BC Stats & Statistics Canada*

- **BC's sawmills registered yet another year-over-year boost in March as output of lumber jumped 33.0%.** Both Coastal (+38.1%) and Interior (+32.3%) mills ramped up lumber production significantly. Nationally, production was also notably higher (+27.8%) than in the same month last year, with strength seen in most of the lumber-producing provinces.
  Data Source: Statistics Canada

- **The cost of new housing in Victoria slipped in April, falling 3.8% lower than in the same month last year.** The decrease was the result of a drop in housing prices (-7.3%), as land value (+0.0%) remained flat. Vancouver's New Housing Price Index jumped 6.0%, reflecting soaring housing costs (+11.2%) and slightly higher land values (+0.1%).

  New housing prices advanced in 18 of Canada's 21 metropolitan areas. With its 6.0% increase over April of 2009, Vancouver led the way, followed by St. John's (+5.9%). Along with Victoria, Charlottetown (-1.5%) and Edmonton (-1.0%) were the only metropolitan areas to see a decrease in new housing prices. Nationally, the cost of new housing advanced 2.5% during the twelve-month period ending in April. *Data Source: Statistics Canada*

Public Sector Employment

- **During the first quarter of 2010, approximately 408,000 British Columbians worked in the public sector[1].** Health, social service and educational institutions were the largest employers, with 236,500 people on their payrolls. Another 138,800 BC residents worked for federal, provincial and local government ministries and agencies, while 32,800 were employed by crown corporations.

  Compared to the first quarter of 2009, employment was down in many parts of the pub-

[1] The public sector includes federal, provincial and local government departments, ministries and agencies (general government); hospitals, schools, universities and colleges (public institutions); and crown corporations.

Report **Energy Fuels BC's Trade with Washington State**

Did you know...

58% of young Canadians aged 12 to 13 years like school, compared to just 45% of 17 to 18 year-olds. *Source: Ipsos Canada*

lic sector, with the only exceptions being crown corporations (+5.5%), federal general government (+4.4%) and health and social service institutions (+2.9%). The largest decline was in provincial general government, where employment fell 4.5%.

Total public sector employment in BC inched up 0.2%. Quebec (+0.7%) and Manitoba (+1.5%) were the only other regions where the increase in the number of public sector jobs was below the national average (+1.7%).

Data Source: Statistics Canada

Organic Farming

- **Despite a recent decline in number, organic farms remain strongly rooted in BC, with proportionally more farms devoted to this method of raising crops than in most other provinces.** The number of organic farms in British Columbia decreased 2.4% between 2007 and 2008. In 2008, there were 444 certified organic farms in BC, accounting for over two percent of all farms in the province. BC also reported a high number (61) of farms in transition to organic farming methods. Although farming is a relatively small industry in BC, 12% of Canada's organic farmers were operating in the province in 2008.

Saskatchewan was home to well over a quarter (1,039) of all organic farmers in 2008. With 680 certified farms, Ontario accounted for just 18% of the national total. Quebec had 935 certified producers in 2008, representing 25% of organic farmers in Canada, while Alberta (7%), Manitoba (5%) and the Atlantic provinces (4%) made up comparatively smaller proportions of Canada's organic farms.

Despite growth in some provinces, the total number of certified organic farms in Canada slipped to 3,713 in 2008, down 69 farms (-1.8%) from the previous year.

Data Source: Canadian Organic Growers

Performing Arts

- **British Columbia's live performing arts industry generated operating revenues of $145.8 million in 2008, up sharply (+13.8%) from the previous year.** However, profit margins (17.2% in 2008) dipped slightly as a operating expenses (+15.9%) rose more than revenues.

In Canada, musical groups and artists (including orchestras to rock groups) accounted for 30% of total operating revenue in 2008. Theatre (except musical) companies accounted for a further quarter (27%), while the remaining 43% was split among musical theatre groups, including opera companies, as well as dance companies and a miscellaneous category that includes circuses and ice skating shows.

Data Source: Statistics Canada

Newspapers

- **Operating profits for Canadian newspaper publishers were down in 2008.** Although the industry expanded in the western provinces, growth was offset by lower revenues in Ontario. An increase in operating expenses outpaced revenue growth in 2008, pushing the industry's overall operating profit margin down to 12.5%, off slightly from 2007 (12.6%) and nearly a full percentage point below that of 2006 (13.2%). Circulation revenues and sale of advertising space remain the industry's largest sources of operating revenues.

Data Source: Statistics Canada

The Nation

- **Capacity use by Canadian industries edged up in the first quarter of 2010, marking the third consecutive quarterly increase.** Industries operated at 74.2% of their full capacity between January and April, up slightly from 71.3% in the fourth quarter of last year. Twenty of the 21 industry groups in manufacturing increased their use of productive capacity. Utilization heated up most notably in transportation equipment, primary metal, chemical, and machinery manufacturing. Meanwhile, printing and related support activities was the only industry to post a lower first quarter rate. *Data Source: Statistics Canada*

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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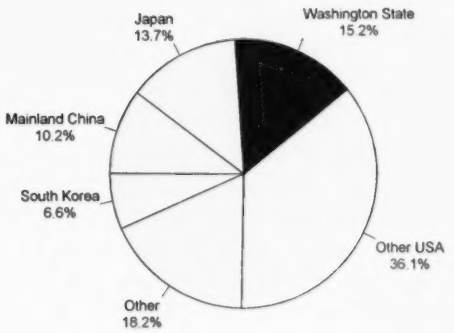
originally published in
Exports Issue 10-03

Energy Fuels BC's Trade with Washington State

Given British Columbia's proximity to Washington State, it is no surprise that they are significant trade partners. Washington ranks only behind the rest of the United States as a destination for BC origin exports with over 15% of BC's commodity exports shipped to that state in 2009. By comparison, Japan received just under 14% of BC's goods exports and Mainland China was the destination for about 10% of BC's international commodity shipments.

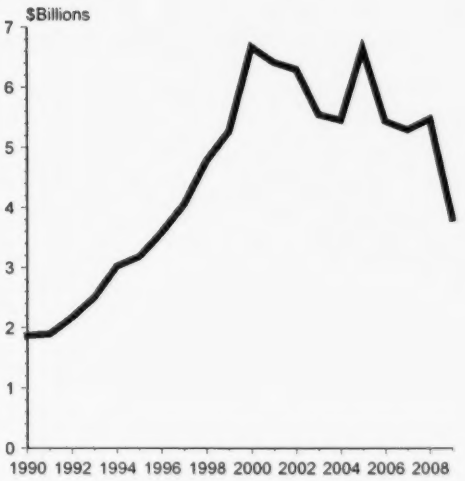
Washington State ranks second as a destination for BC origin exports behind only the rest of the United States



Source: Statistics Canada

Similar to BC's exports overall, shipments from BC to Washington State dropped substantially in 2009. The value of BC's exports to the state fell by 30% to their lowest level since 1996. The slump was spread across most commodity categories, but shipments of natural gas were responsible for the largest portion of the drop, falling by over $1.1 billion (-48%).

BC exports to Washington State slumped in 2009

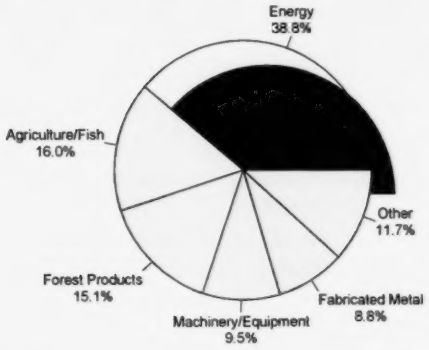


Source: Statistics Canada

Despite the large decline, natural gas was still the top export from British Columbia to Washington State in 2009, with approximately $1.2 billion worth of gas exported from BC to Washington. Although small by comparison, electricity was the second largest export from BC to Washington, at $127 million. Overall, $1.5 billion worth of energy products were shipped from BC to the Evergreen State in 2009, accounting for 39% of BC's exports to that state. Energy products were also the goods most often imported from Washington into Canada through British Columbia customs ports[1]. In 2009, almost $863 million worth of energy products from Washington were imported into Canada through BC ports, or 23% of BC-cleared imports from that state. The largest portion of this was aviation fuel ($477 million).

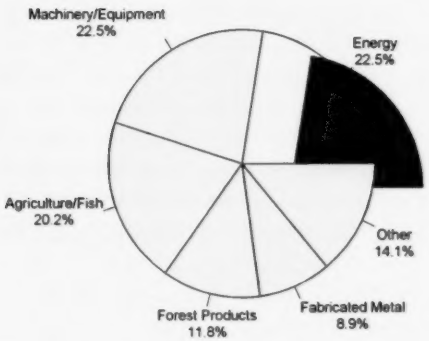
[1] Note that this does not mean that these goods were consumed in British Columbia. They may have been further shipped to other provinces or territories. Similarly, goods cleared through other provinces may have ultimately been consumed in BC.

Energy products were the top goods exported from BC to Washington State in 2009



Source: Statistics Canada

Energy products were also the top goods imported into Canada from Washington State through BC customs ports



Source: Statistics Canada

Iron and steel products were another significant export from BC to Washington. Almost $295 million worth of these goods was shipped to Washington in 2009. Overall, fabricated metal products accounted for almost 9% of BC's exports to Washington.

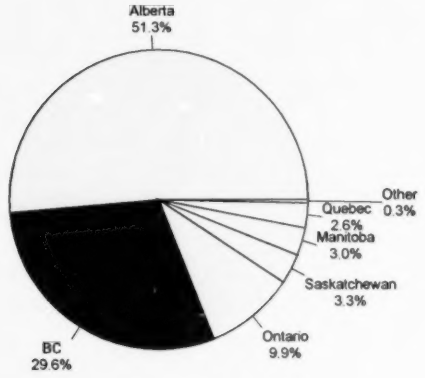
Forest products represented almost 15% of BC's shipments to Washington. Softwood lumber was the largest component of this, at almost $164 million. Approximately $263 million worth of other solid wood products (plywood, veneer, oriented strand board, cedar shakes and shingles, logs, etc.) and $150 million of pulp and paper products comprised the other forest products.

Agricultural and fish products were another large component of BC's exports to Washington, together making up about 16% of BC's exports to that state, or $614 million. Fruits and vegetables comprised around 29% of that figure and seafood was almost 20%.

Resource goods also made up a large portion of the goods from Washington imported into Canada via BC ports; however, there was significantly more machinery and equipment imported compared to exports to Washington. In fact, machinery and equipment imports almost equalled the value of energy products shipped into Canada through BC. There was $862 million worth of machinery and equipment imported from Washington through BC in 2009, of which about $246 million was aircraft and parts. Agriculture and fish products (20%) and forest products (12%) were other significant imports.

Despite the fact that BC is neighbour to Washington State, the province ranked only second behind Alberta as a source of exports to the state. In fact, over half (51%) of Canada's exports to Washington originated in Alberta, compared to only 30% from BC. Once again, energy products were the main goods shipped to Washington. Altogether, energy products comprised 88% of the goods shipped from Alberta to Washington, totalling $5.9 billion. Of this amount, over $3 billion was made up of natural gas exports and just under $2.6 billion consisted of crude petroleum shipments.

BC ranked second in Canada as a source of exports to Washington State



Source: Statistics Canada

The only other significant export from Alberta to Washington in terms of volumes shipped was live cattle, which made up about 5% of the province's exports to the state, or $335 million.

Energy was not always as large a component of trade with Washington State. Ten years ago, BC was the top province in terms of share of Canada's exports to Washington with 47% of Canada's goods exports to that state originating in BC and 36% originating in Alberta. Energy was still the largest component of BC and Alberta's shipments to Washington, but it made up a much smaller share (e.g., 31% of BC's exports to Washington in 1999 compared to 39% in 2009 and 47% in 2008). By comparison, forest products made up 28% of BC's commodity shipments to Washington in 1999 compared to 15% a decade later.

It is possible that there will be further changes to the types of goods traded to and from Washington State in the years to come, but regardless, it is likely that the state will continue to be an important trade partner for BC given its proximity.

The importance of Washington as a trade partner has been underlined by the cross-border initiatives the governments of the two regions have developed together. This includes working toward better transportation of both people and freight between BC and Washington, including efforts to develop high-speed rail service and harbour-to-harbour air service between Vancouver and Seattle. Work has also been done on opening up access to government procurement and exploring reciprocal credential recognition for regulated trades or professions. All these initiatives will help break down the barriers set up by the international border that sometimes prove an impediment to trade, possibly opening the way for higher volumes of trade in the future.

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also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Jan1/2010	% change on one year ago
BC	4,494.2	1.6
Canada	33,930.8	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Mar 2010	2,994	3.8
Merchandise Exports - Apr 2010	2,328	2.1
Retail Sales - Mar 2010	4,869	0.6
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Apr 2010)	one year ago	% change
BC	1.0	-0.1
Vancouver	1.4	0.1
Victoria	0.4	-0.1
Canada	1.8	0.5
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	May 2010	prev. month
Labour Force - BC	2,479	-0.2
Employed - BC	2,293	-0.4
Unemployed - BC	187	3.3
		Apr 2010
Unemployment Rate - BC *(percent)*	7.5	7.3
Unemployment Rate - Canada *(percent)*	8.1	8.1
INTEREST RATES (percent)	Jun 9/2010	Jun 10/2009
Prime Business Rate	2.50	2.25
Conventional Mortgages - 1 year	3.70	3.90
- 5 year	5.99	5.45
US-CANADA EXCHANGE RATE	Jun 9/2010	Jun 10/2009
(avg. noon spot rate) Cdn $ per US $	1.0395	1.1101
(closing rate) US $ per Cdn $	0.9576	0.9025
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	May 2010	one year ago
BC	828.89	4.9
Canada	815.69	2.5

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

BC Labour Market Outlook 2009–2019

A new report featuring labour supply and demand forecasts, by occupation and region, is now available. Based on the BC Labour Market Scenario Model (undertaken by the Ministry of Advanced Education and Labour Market Development in partnership with BC Stats and the Ministry of Finance), this report provides projections of future job openings and potential labour market imbalances.

http://workbc.ca/labour_market_statistics/labour_market_projections.htm

Labour Market Information Gateway

A new gateway with links to labour market information is now available. The labour market information gateway features access to a variety of data sources, articles, and reports containing labour market information for British Columbia in one convenient location.

www.bcstats.gov.bc.ca/data/lss/lmi_gate.asp

Quarterly Indicators for BC Economy

A new table with data for key quarterly indicators for the BC economy is now available. The table offers a quick look at the quarterly change in selected economic and demographic variables that provide an indication of the strength or weakness of the BC economy.

www.bcstats.gov.bc.ca/data/bus_stat/busind/qinds.asp

BC's Solid Waste Flow, 2006

This report examines the source and composition of solid waste in British Columbia. Three key sectors are measured: industrial, commercial and institutional (IC&I); construction, renovation and demolition (CR&D); and residential.

www.bcstats.gov.bc.ca/data/env/SolidWaste06.pdf

Released this week by BC Stats

- Business Indicators, May 2010

Next week

- Exports, April 2010

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